

BILL NUMBER: SB 45 CHAPTERED
BILL TEXT

CHAPTER 622

FILED WITH SECRETARY OF STATE OCTOBER 3, 1997

APPROVED BY GOVERNOR OCTOBER 2, 1997

PASSED THE SENATE SEPTEMBER 12, 1997

PASSED THE ASSEMBLY SEPTEMBER 12, 1997

AMENDED IN ASSEMBLY SEPTEMBER 10, 1997

AMENDED IN ASSEMBLY AUGUST 28, 1997

AMENDED IN ASSEMBLY JULY 23, 1997

AMENDED IN ASSEMBLY JULY 7, 1997

AMENDED IN ASSEMBLY JUNE 23, 1997

AMENDED IN SENATE MAY 15, 1997

AMENDED IN SENATE APRIL 10, 1997

AMENDED IN SENATE APRIL 1, 1997

AMENDED IN SENATE MARCH 10, 1997

AMENDED IN SENATE FEBRUARY 24, 1997

INTRODUCED BY Senator Kopp
(Coauthor: Assembly Member Papan)

DECEMBER 2, 1996

An act to amend Sections 14523, 14524, 14525, 14526, 14527, 14530.1, 14531, 14536, 65081.1, 65082, 65083, and 65086 of, to add Sections 14529.1, 14529.8, 14529.12, and 14529.15 to, to repeal and add Sections 14520.3, 14529, 65080, and 65086.4 of, and to repeal Sections 14524.5, 14529.01, 14529.2, 14529.6, 14530.5, 14555, 65071, and 65081 of, the Government Code, to amend Sections 99310, 99312, and 99315 of, and to repeal Sections 99315.5, 99315.6, 99318, and 99318.2 of, the Public Utilities Code, and to amend Sections 164.3, 167, 188, and 188.8 of, to amend and repeal Sections 2601, 2602, and 2602.1 of, to add Sections 164.6 and 188.10 to, to repeal and add Sections 163, 164, and 182.5 of, and to repeal Sections 164.2, 164.4, 164.35, 164.50, 164.51, 164.52, 164.55, 164.57, 168, 182.4, 182.8, 188.9, 199, 199.1, 199.2, 199.3, 199.4, 199.6, 199.7, 199.8, 199.9, 199.10, 199.11, and 2600 of, the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 45, Kopp. Transportation funding.

Existing law prescribes a process for estimating the amount of state and federal funds to be available for transportation projects in the state, and for appropriating and allocating the available funds to those projects.

This bill would substantially revise that process, by changing the 7-year state transportation improvement program to a 4-year program, changing the components of the regional and state transportation improvement programs, changing the name of the Transportation Planning and Development Account to the Public Transportation Account, and making changes in the way funds are allocated from that account. The bill would declare the Legislature's intent regarding

budget estimates by the Department of Transportation and the California Transportation Commission based on specified factors. The bill would eliminate various transportation-related programs, including traffic systems management, flexible congestion relief, commuter and urban rail transit, and the state-local transportation partnership program. The bill would provide that the department is continued as the responsible agency for the state highway system, as specified.

This bill would provide that by the enactment of this bill, the Legislature intends that nothing contained in this bill shall be construed to expand or restrict the authority or responsibility of the department to perform the components developed in the state transportation improvement program. The bill would make related changes.

This bill would incorporate additional changes in Section 14524 of the Government Code proposed by AB 87, to be operative only if AB 87 and this bill are both enacted and become effective on or before January 1, 1998, and this bill is enacted last.

This bill would incorporate additional changes in Section 14525 of the Government Code proposed by AB 87, to be operative only if AB 87 and this bill are both enacted and become effective on or before January 1, 1998, and this bill is enacted last.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 14520.3 of the Government Code is repealed.

SEC. 1.1. Section 14520.3 is added to the Government Code, to read:

14520.3. (a) The Legislature, through the enactment of Senate Bill 45 during the 1997-98 Regular Session, intends to establish priorities and processes for the programming and expenditure of state transportation funds that are at the discretion of the Legislature and the Governor.

(b) The department is responsible for the planning, design, construction, maintenance, and operation of the state highway system and Senate Bill 45 is not intended to alter that responsibility.

(c) In addition to other responsibilities established by law, the department is the responsible agency for performing all state highway project components specified in subdivision (b) of Section 14529 of the Government Code except for construction.

(d) The Legislature, through the enactment of this section, intends that nothing in subdivision (b) of Section 14529 of the Government Code or any other provision in the act that added this section to the Government Code shall be construed to expand or restrict the authority or responsibility of the department, as provided by statute or the California Constitution, to perform the components described in subdivision (b) of Section 14529 of the Government Code on state highways.

SEC. 2. Section 14523 of the Government Code is amended to read:

14523. The commission may prepare an independent evaluation of the department's budget regarding the adequacy of funding levels and the relative needs of program categories as defined in Section 167 of the Streets and Highways Code and submit its recommendations to the Legislature not later than April 1 of each year. The report shall

reflect the commission's judgment regarding the overall funding levels for each program category and shall not duplicate the item-by-item analysis conducted by the Legislative Analyst.

SEC. 3. Section 14524 of the Government Code is amended to read:

14524. (a) Not later than January 5, 1998, and July 15 of each odd-numbered year thereafter, the department shall submit to the commission a four-year estimate pursuant to Section 164 of the Streets and Highways Code, in annual increments, of all federal and state funds reasonably expected to be available during the following four fiscal years.

(b) The estimate shall specify the amount that may be programmed in each county for regional improvement programs pursuant to paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code and shall identify any statutory restriction on the use of particular funds.

(c) For the purpose of estimating revenues, the department shall assume that there will be no changes in existing state and federal statutes.

(d) The method by which the estimate is determined shall be determined by the commission, in consultation with the department, transportation planning agencies, and county transportation commissions.

SEC. 3.5. Section 14524 of the Government Code is amended to read:

14524. (a) Not later than January 5, 1998, and July 15 of each odd-numbered year thereafter, the department shall submit to the commission a four-year estimate pursuant to Section 164 of the Streets and Highways Code, in annual increments, of all federal and state funds reasonably expected to be available during the following four fiscal years.

(b) The estimate shall specify the amount that may be programmed in each county for regional improvement programs pursuant to paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code, and for the California Transportation Finance Bank program established in Division 2 (commencing with Section 64000) of Title 6.7, and shall identify any statutory restriction on the use of particular funds.

(c) For the purpose of estimating revenues, the department shall assume that there will be no changes in existing state and federal statutes.

(d) The method by which the estimate is determined shall be determined by the commission, in consultation with the department, transportation planning agencies, and county transportation commissions.

SEC. 4. Section 14524.5 of the Government Code is repealed.

SEC. 5. Section 14525 of the Government Code is amended to read:

14525. (a) Not later than January 5, 1998, and August 15 of each odd-numbered year thereafter, the commission shall adopt a four-year estimate pursuant to Section 164 of the Streets and Highways Code, in annual increments, of all state and federal funds reasonably expected to be available during the following four fiscal years.

(b) The estimate shall specify the amount that may be programmed in each county for regional improvement programs under paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code and shall identify any statutory restriction on the use of particular funds.

(c) For the purpose of estimating revenues, the commission shall assume that there will be no change in existing state and federal statutes.

(d) If the commission finds that legislation pending before the Legislature or the United States Congress may have a significant impact on the fund estimate, the commission may postpone the adoption of the fund estimate for no more than 90 days. Prior to March 1 of each even-numbered year, the commission may amend the estimate following consultation with the department, transportation planning agencies, and county transportation commissions to account for unexpected revenues or other unforeseen circumstances. In the event the fund estimate is amended, the commission shall extend the dates for the submittal of improvement programs as specified in Sections 14526 and 14527 and for the adoption of the state transportation improvement program pursuant to Section 14529.

SEC. 5.5. Section 14525 of the Government Code is amended to read:

14525. (a) Not later than January 5, 1998, and August 15 of each odd-numbered year thereafter, the commission shall adopt a four-year estimate pursuant to Section 164 of the Streets and Highways Code, in annual increments, of all state and federal funds reasonably expected to be available during the following four fiscal years, and for the California Transportation Finance Bank program established by Division 2 (commencing with Section 64000) of Title 6.7.

(b) The estimate shall specify the amount that may be programmed in each county for regional improvement programs under paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code and shall identify any statutory restriction on the use of particular funds.

(c) For the purpose of estimating revenues, the commission shall assume that there will be no change in existing state and federal statutes.

(d) If the commission finds that legislation pending before the Legislature or the United States Congress may have a significant impact on the fund estimate, the commission may postpone the adoption of the fund estimate for no more than 90 days. Prior to March 1 of each even-numbered year, the commission may amend the estimate following consultation with the department, transportation planning agencies, and county transportation commissions to account for unexpected revenues or other unforeseen circumstances. If the fund estimate is amended, the commission shall extend the dates for the submittal of improvement programs as specified in Sections 14526 and 14527 and for the adoption of the state transportation improvement program pursuant to Section 14529.

SEC. 6. Section 14526 of the Government Code is amended to read:

14526. (a) Not later than March 1, 1998, and December 15 of each odd-numbered year thereafter, and after consulting with the transportation planning agencies, county transportation commissions, and transportation authorities, the department shall submit to the commission its interregional improvement program consisting of all of the following:

(1) Projects to improve state highways, pursuant to subdivision (b) of Section 164 of the Streets and Highways Code.

(2) Projects to improve the intercity passenger rail system.

(3) Projects to improve interregional movement of people, vehicles, and goods.

(b) Projects may not be included in the interregional improvement program without a project study report or major investment study.

(c) Major projects shall include current costs updated as of November 1 of the year of submittal and escalated to the appropriate year, and shall be consistent with, and provide the information required in, subdivision (b) of Section 14529.

(d) Projects included in the interregional improvement program shall be consistent with the adopted regional transportation plan.

SEC. 7. Section 14527 of the Government Code is amended to read:

14527. (a) After consulting with the department, the regional transportation planning agencies and county transportation commissions shall adopt and submit to the commission and the department, not later than March 1, 1998, and December 15 of each odd-numbered year thereafter, a four-year regional transportation improvement program in conformance with Section 65082. In counties where a county transportation commission or authority has been created pursuant to Chapter 2 (commencing with Section 130050) of Division 12 of the Public Utilities Code, the commission or the authority shall adopt and submit the county transportation improvement program, in conformance with Sections 130303 and 130304 of that code, to the multicounty designated transportation planning agency. Other information, including a program for expenditure of local or federal funds, may be submitted for information purposes with the program, but only at the discretion of the transportation planning agencies or the county transportation commissions.

(b) The regional transportation improvement program shall include all projects to be funded with regional improvement funds under paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code. The regional programs shall be limited to projects to be funded in whole or in part with regional improvement funds which shall include all projects to receive allocations by the commission during the following four fiscal years. For each project, the total expenditure for each project component and the total amount of commission allocation and the year of allocation shall be stated. The total cost of projects to be funded with regional improvement funds shall not exceed the amount specified in the fund estimate made by the commission pursuant to Section 14525.

(c) The regional transportation planning agencies and county transportation commissions may recommend projects to improve state highways with interregional improvement funds pursuant to subdivision (b) of Section 164 of the Streets and Highways Code. The recommendations shall be separate and distinct from the regional transportation program. A project recommended for funding pursuant to this subdivision shall constitute a usable segment and shall not be a condition for inclusion of other projects in the regional transportation improvement program.

(d) Major projects shall include current costs updated as of November 1 of the year of submittal and escalated to the appropriate year, and shall be consistent with, and provide the information required in, subdivision (b) of Section 14529.

(f) The regional transportation improvement program may not change the project delivery milestone date of any project as shown in the prior adopted state transportation improvement program without the consent of the department or other agency responsible for the project's delivery.

(g) Projects may not be included in the regional transportation

improvement program without a complete project study report or, for a project that is not on a state highway, a project study report equivalent or major investment study.

(h) The transportation planning agencies and county transportation commissions may request and receive an amount not to exceed one-half of 1 percent of their regional improvement fund expenditures for the purposes of project planning, programming, and monitoring. A transportation planning agency or county transportation commission not receiving federal metropolitan planning funds may request and receive an amount not to exceed 2 percent of its regional improvement fund expenditures for the purposes of project planning, programming, and monitoring.

SEC. 8. Section 14529 of the Government Code is repealed.

SEC. 9. Section 14529 is added to the Government Code, to read:

14529. (a) The state transportation improvement program shall include a listing of all capital improvement projects that are expected to receive an allocation of state transportation funds under Section 164 of the Streets and Highways Code, including revenues from transportation bond acts, from the commission during the following four fiscal years. It shall include, and be limited to, the projects to be funded with the following:

(1) Interregional improvement funds.

(2) Regional improvement funds.

(b) For each project, the program shall specify the allocation or expenditure amount and the allocation or expenditure year for each of the following project components:

(1) Completion of all permits and environmental studies.

(2) Preparation of plans, specifications, and estimates.

(3) The acquisition of rights-of-way.

(4) Construction and construction management and engineering, including surveys and inspection.

(c) Funding for right-of-way acquisition and construction for a project may be included in the program only if the commission makes a finding that the sponsoring agency will complete the environmental process and can proceed with right-of-way acquisition or construction within the four-year period. No allocation for right-of-way acquisition or construction shall be made until the completion of the environmental studies and the selection of a preferred alternative.

(d) The commission shall adopt and submit to the Legislature and the Governor, not later than June 1, 1998, and April 1 of each even-numbered year thereafter, a state transportation improvement program. The program shall cover a period of four years, beginning July 1 of the year it is adopted, and shall be a statement of intent by the commission for the allocation or expenditure of funds during those four years. The program shall include projects which are expected to receive funds prior to July 1 of the year of adoption, but for which the commission has not yet allocated funds.

(e) The projects included in the adopted state transportation improvement program shall be limited to those projects submitted or recommended pursuant to Sections 14526 and 14527. The total amount programmed in each fiscal year for each program category shall not exceed the amount specified in the fund estimate adopted under Section 14525.

(f) The state transportation improvement program is a resource management document to assist the state and local entities to plan

and implement transportation improvements and to utilize available resources in a cost-effective manner. It is a document for each county and each region to declare their intent to use available state and federal funds in a timely and cost-effective manner.

(g) Prior to the adoption of the state transportation improvement program, the commission shall hold not less than one hearing in northern California and one hearing in southern California to reconcile any objections by any county or regional agency to the department's program or the department's objections to any regional program.

(h) The commission shall incorporate projects that are included in the regional improvement program and are to be funded with regional improvement funds, unless the commission finds that the regional transportation improvement program is not consistent with the guidelines adopted by the commission or is not a cost-effective expenditure of state funds, in which case the commission may reject the regional transportation improvement program in its entirety. The finding shall be based on an objective analysis, including, but not limited to, travel forecast, cost, and air quality. The commission shall hold a public hearing in the affected county or region prior to rejecting the program, or not later than 60 days after rejecting the program. When a regional transportation improvement program is rejected, the regional entity may submit a new regional transportation improvement program for inclusion in the state transportation improvement program. The commission shall not reject a regional transportation improvement program unless, not later than 60 days after the date it received the program, it provided notice to the affected agency that specified the factual basis for its proposed action.

(i) A project may be funded with more than one of the program categories listed in Section 164 of the Streets and Highways Code.

(j) Notwithstanding any other provision of law, no local or regional matching funds shall be required for projects that are included in the state transportation improvement program.

(k) The commission may include a project recommended by a regional transportation planning agency or county transportation commission pursuant to subdivision (c) of Section 14527, if the commission makes a finding, based on an objective analysis, that the recommended project is more cost-effective than a project submitted by the department pursuant to Section 14526.

SEC. 10. Section 14529.01 of the Government Code is repealed.

SEC. 11. Section 14529.1 is added to the Government Code, to read:

14529.1. The commission shall establish guidelines for the allocation of funds to an entity for a project to verify that the entity has the resources and capabilities to implement the project in a timely manner and may establish a process for monitoring the progress being made and proper use of funds. The guidelines and process shall be kept to the minimum needed to protect state funds and provide for a timely use of those funds. The commission shall request that the entity receiving funds accept an audit of funds allocated to it by the commission if an audit is deemed necessary.

SEC. 12. Section 14529.2 of the Government Code is repealed.

SEC. 13. Section 14529.6 of the Government Code is repealed.

SEC. 14. Section 14529.8 is added to the Government Code, to read:

14529.8. (a) Funds may be allocated by the commission for each project element during the fiscal year that is identified in the state transportation improvement program and the funds shall be available for expenditure during that fiscal year and the following two fiscal years. Any funds not allocated, or allocated but not encumbered, during the period specified in this section, shall remain in the account, or be returned to the account, as the case may be.

(b) Upon a finding that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies an extension, the commission may extend the deadlines specified in subdivision (a). The deadline extensions shall not exceed the period of delay directly attributed to the extraordinary circumstance and in no event be more than 20 months. The commission shall not grant more than one extension.

SEC. 15. Section 14529.12 is added to the Government Code, to read:

14529.12. (a) The department and the regional planning agencies shall consult and seek consensus on state highway projects to be proposed for inclusion in the state transportation improvement program under Sections 14526 and 14527.

(b) Agreements between the state and transportation planning agencies or county transportation commissions relating to program approvals or federal or state fund transfers and the expenditure of funds pursuant to those agreements shall comply with all applicable federal and state laws and regulations and be subject to the administrative operating procedures set forth in Federal Office of Management and Budget Circulars A-87, A-102, and A-128, but not to any other state agency procedures or requirements.

SEC. 16. Section 14529.15 is added to the Government Code, to read:

14529.15. (a) The commission shall make a report to the Legislature on or before February 1, 1999, and on or before February 1, 2001, assessing the relative success of the provisions of Senate Bill 45, as enacted during the 1997-98 Regular Session, in achieving the Legislature's intent for reform of the state transportation improvement program, and assessing program delivery, expenditure of funds at both regional and statewide levels, and program performance.

(b) The Legislature intends that the 1998 State Transportation Improvement Program conform with the requirements of Senate Bill 45, as enacted during the 1997-98 Regular Session, to the maximum degree feasible, taking into account the limited time allowed between enactment of that bill and adoption of that program. The commission shall comply fully with all procedures and requirements of Senate Bill 45, as enacted during the 1997-98 Regular Session, in the preparation and adoption of the subsequent state transportation improvement programs.

(c) The 1998 State Transportation Improvement Program shall cover a period of six years as a transition into a four-year programming period.

SEC. 17. Section 14530.1 of the Government Code is amended to read:

14530.1. (a) The department, in cooperation with the commission, transportation planning agencies, and county transportation commissions and local governments, shall develop guidelines for the development of the state transportation improvement program and the

incorporation of projects into the state transportation improvement program.

(b) The guidelines shall include, but not be limited to, all of the following:

- (1) Standards for project deliverability.
- (2) Standards for identifying projects and project components.
- (3) Standards for cost estimating.
- (4) Programming methods for increases and schedule changes.
- (5) Objective criteria for measuring system performance and cost-effectiveness of candidate projects.

(c) The guidelines shall be submitted to the commission by September 15, 1998. After conducting at least one hearing in northern California and one in southern California, the commission shall adopt the guidelines by December 31, 1998.

(d) The guidelines shall be the complete and full statement of the policy, standards, and criteria that the commission intends to use in selecting projects to be included in the state transportation improvement program.

(e) The commission may amend the adopted guidelines after conducting at least one public hearing. The commission shall make a reasonable effort to adopt the amended guidelines prior to its adoption of the fund estimate pursuant to Section 14525. In no event shall the adopted guidelines be amended, or otherwise revised, modified, or altered during the period commencing 30 days after the adoption of the fund estimate pursuant to Section 14525 and before the adoption of the state transportation improvement program pursuant to Section 14529.

SEC. 18. Section 14530.5 of the Government Code is repealed.

SEC. 19. Section 14531 of the Government Code is amended to read:

14531. (a) The commission may amend the state transportation improvement program if the amendment meets both of the following conditions:

(1) The request for the amendment is made by the entity that submitted the project or projects that are in the program and are to be changed by the amendment.

(2) The total amount programmed in each county for regional improvements does not exceed the county's share prior to the amendment, or the total amount programmed in each county is treated as an adjustment to the share pursuant to Section 188.10 of the Streets and Highways Code.

(b) Public notice of the proposed amendments to the program or the plan shall be made at least 30 days before the commission takes formal action on the proposed amendments. The notice shall include the text and complete description of the proposed amendments.

SEC. 20. Section 14536 of the Government Code is amended to read:

14536. (a) The annual report shall include an explanation and summary of major policies and decisions adopted by the commission during the previously completed state and federal fiscal year, with an explanation of any changes in policy associated with the performance of its duties and responsibilities over the past year.

(b) The annual report may also include a discussion of any significant upcoming transportation issues anticipated to be of concern to the public and the Legislature.

SEC. 21. Section 14555 of the Government Code is repealed.

SEC. 22. Section 65071 of the Government Code is repealed.

SEC. 23. Section 65080 of the Government Code is repealed.

SEC. 24. Section 65080 is added to the Government Code, to read:

65080. (a) Each transportation planning agency designated under Section 29532 or 29532.1 shall prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system, including, but not limited to, mass transportation, highway, railroad, maritime, bicycle, pedestrian, goods movement, and aviation facilities and services. The plan shall be action-oriented and pragmatic, considering both the short-term and long-term future, and shall present clear, concise policy guidance to local and state officials. The regional transportation plan shall consider factors specified in Section 134 of Title 23 of the United States Code. Each transportation planning agency shall consider and incorporate, as appropriate, the transportation plans of cities, counties, districts, private organizations, and state and federal agencies.

(b) The regional transportation plan shall include all of the following:

(1) A policy element that describes the transportation issues in the region, identifies and quantifies regional needs, and describes the desired short-range and long-range transportation goals, and pragmatic objective and policy statements. The objective and policy statements shall be consistent with the funding estimates of the financial element.

(2) An action element that describes the programs and actions necessary to implement the plan and assigns implementation responsibilities. The action element may describe all projects proposed for development during the 20-year life of the plan.

The action element shall consider congestion management programming activities carried out within the region.

(3) A financial element that summarizes the cost of plan implementation constrained by a realistic projection of available revenues. The financial element shall also contain recommendations for allocation of funds. A county transportation commission created pursuant to Section 130000 of the Public Utilities Code shall be responsible for recommending projects to be funded with regional improvement funds, if the project is consistent with the regional transportation plan. The first four years of the financial element shall be based on the four-year estimate of funds developed pursuant to Section 14524. The financial element may recommend the development of specified new sources of revenue, consistent with the policy element and action element.

(c) Each transportation planning agency shall adopt and submit, biennially, an updated regional transportation plan to the California Transportation Commission and the Department of Transportation. The plan shall be consistent with federal planning and programming requirements. A transportation planning agency that does not contain an urbanized area may at its option adopt and submit a regional transportation plan once every four years beginning with December 1, 1997. Prior to adoption of the regional transportation plan, a public hearing shall be held, after the giving of notice of the hearing by publication in the affected county or counties pursuant to Section 6061.

SEC. 25. Section 65081 of the Government Code is repealed.

SEC. 26. Section 65081.1 of the Government Code is amended to read:

65081.1. (a) After consultation with other regional and local transportation agencies, each transportation planning agency whose planning area includes a primary air carrier airport shall, in conjunction with its preparation of an updated regional transportation plan, include an airport ground access improvement program.

(b) The program shall address the development and extension of mass transit systems, including passenger rail service, major arterial and highway widening and extension projects, and any other ground access improvement projects the planning agency deems appropriate.

(c) Highest consideration shall be given to mass transit for airport access improvement projects in the program.

(d) If federal funds are not available to a transportation planning agency for the costs of preparing or updating an airport ground access improvement program, the agency may charge the operators of primary air carrier airports within its planning area for the direct costs of preparing and updating the program. An airport operator against whom charges are imposed pursuant to this subdivision shall pay the amount of those charges to the transportation planning agency.

SEC. 27. Section 65082 of the Government Code is amended to read:

65082. (a) A four-year regional transportation improvement program shall be prepared, adopted, and submitted to the California Transportation Commission on or before January 5, 1998, and December 15 of each odd-numbered year thereafter, updated every two years, pursuant to Sections 65080 and 65080.5 and the guidelines adopted pursuant to Section 14530.1, to include regional transportation improvement projects and programs proposed to be funded, in whole or in part, in the state transportation improvement program.

Major projects shall include current costs updated as of November 1 of the year of submittal and escalated to the appropriate year, and be listed by relative priority, taking into account need, delivery milestone dates, as defined in Section 14525.5, and the availability of funding.

(b) Except for those counties that do not prepare a congestion management program pursuant to Section 65088.3, congestion management programs adopted pursuant to Section 65089 shall be incorporated into the regional transportation improvement program submitted to the commission by December 15 of each odd-numbered year.

(c) Local projects not included in a congestion management program shall not be included in the regional transportation improvement program. Projects and programs adopted pursuant to subdivision (a) shall be consistent with the capital improvement program adopted pursuant to paragraph (5) of subdivision (b) of Section 65089, and the guidelines adopted pursuant to Section 14530.1.

(d) Other projects may be included in the regional transportation improvement program if listed separately.

(e) Unless a county not containing urbanized areas of over 50,000 population notifies the Department of Transportation by July 1 that it intends to prepare a regional transportation improvement program for that county, the department shall, in consultation with the affected local agencies, prepare the program for all counties for

which it prepares a regional transportation plan.

(f) The requirements for incorporating a congestion management program into a regional choice program specified in this section do not apply in those counties that do not prepare a congestion management program in accordance with Section 65088.3.

SEC. 28. Section 65083 of the Government Code is amended to read:

65083. As part of implementation of the demonstration program established pursuant to Section 14045 of the Government Code, the regional transportation planning agency preparing the four-year regional transportation improvement program pursuant to Section 65082 shall consider those exclusive mass transit guideway projects where the applicant and the local entity responsible for land use decisions have entered into a binding agreement to promote high density residential development within one-half mile of a mass transit guideway station. Any project selected by the agency which is located in a demonstration site shall be considered for inclusion in the regional transportation improvement program. This section shall not preclude the agency from applying the criteria for making awards which may be required or permitted pursuant to other provisions of law.

SEC. 29. Section 65086 of the Government Code is amended to read:

65086. The Department of Transportation, in consultation with transportation planning agencies, county transportation commissions, counties, and cities, shall carry out long-term state highway system planning to identify future highway improvements.

SEC. 30. Section 65086.4 of the Government Code is repealed.

SEC. 31. Section 65086.4 is added to the Government Code, to read:

65086.4. Projects on the state highway system shall comply with applicable state and federal standards to ensure systemwide consistency with operational, safety, and maintenance needs. The department may approve exceptions to this requirement that it determines to be appropriate.

SEC. 32. Section 99310 of the Public Utilities Code is amended to read:

99310. (a) The Transportation Planning and Development Account in the State Transportation Fund, hereafter referred to as the "account" in this article, is hereby continued in existence as the Public Transportation Account in the fund.

(b) Any reference in any law or regulation to the Transportation Planning and Development Account in the State Transportation Fund is a reference to the Public Transportation Account.

SEC. 33. Section 99312 of the Public Utilities Code is amended to read:

99312. From the funds transferred to the account pursuant to Section 7102 of the Revenue and Taxation Code, the Legislature shall appropriate funds for the following purposes:

(a) To the department, 50 percent for purposes of Section 99315.

(b) To the Controller, 25 percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314.

(c) To the Controller, 25 percent for allocation to transportation agencies, county transportation commissions, and the San Diego

Metropolitan Transit Development Board for purposes of Section 99313.

SEC. 34. Section 99315 of the Public Utilities Code is amended to read:

99315. Funds made available pursuant to subdivision (a) of Section 99312, shall be available for all of the following purposes:

(a) Bus and passenger rail services pursuant to Sections 14035, 14035.5, and 14038 of the Government Code.

(b) Funding of public transit capital improvement projects in the state transportation improvement program, pursuant to Section 14529 of the Government Code.

(c) To the department for its planning activities not payable from the State Highway Account in the State Transportation Fund, its mass transportation responsibilities, and its assistance in regional transportation planning.

(d) To the director for allocation to the Institute of Transportation Studies of the University of California for training and research in public transportation systems engineering and management and coordination with other transportation modes.

(e) To the commission for its activities not payable from the State Highway Account.

(f) To the Public Utilities Commission for its passenger rail safety responsibilities specified in statute on commuter rail, intercity rail, and urban rail transit lines.

SEC. 35. Section 99315.5 of the Public Utilities Code is repealed.

SEC. 36. Section 99315.6 of the Public Utilities Code is repealed.

SEC. 37. Section 99318 of the Public Utilities Code is repealed.

SEC. 38. Section 99318.2 of the Public Utilities Code is repealed.

SEC. 39. Section 163 of the Streets and Highways Code is repealed.

SEC. 40. Section 163 is added to the Streets and Highways Code, to read:

163. The Legislature, through the enactment of this section, intends to establish a policy for the use of all transportation funds that are available to the state, including the State Highway Account, the Public Transportation Account, and federal funds. The department and the commission shall prepare fund estimates pursuant to Sections 14524 and 14525 of the Government Code based on the following:

(a) Annual expenditures for the administration of the department shall be the same as the most recent Budget Act, adjusted for inflation.

(b) Annual expenditures for the maintenance and operation of the state highway system shall be the same as the most recent Budget Act, adjusted for inflation and inventory.

(c) Annual expenditure for the rehabilitation of the state highway system shall be the same as the most recent Budget Act, or, if a long-range rehabilitation plan has been enacted pursuant to Section 164.6, it shall be based on planned expenditures in a long-range rehabilitation plan prepared by the department pursuant to Section 164.6.

(d) Annual expenditures for local assistance shall be the amount required to fund local assistance programs required by state or federal law or regulations, including, but not limited to, railroad grade crossing maintenance, bicycle lane account, congestion mitigation and air quality, regional surface transportation programs, local highway bridge replacement and rehabilitation, local seismic retrofit, local hazard elimination and safety, local federal demonstration projects, and local emergency relief.

(e) After deducting expenditures for administration, operation, maintenance, local assistance, safety, and rehabilitation pursuant to subdivisions (a), (b), (c), and (d), and for expenditures pursuant to Section 164.56, the remaining funds shall be available for capital improvement projects to be programmed in the state transportation improvement program.

SEC. 41. Section 164 of the Streets and Highways Code is repealed.

SEC. 42. Section 164 is added to the Streets and Highways Code, to read:

164. (a) Funds made available for transportation capital improvement projects under subdivision (e) of Section 163 shall be programmed and expended for the following program categories:

(1) Twenty-five percent for interregional improvements.

(2) Seventy-five percent for regional improvements.

(b) Sixty percent of the funds available for interregional improvements under paragraph (1) of subdivision (a) shall be programmed and expended for improvements to state highways that are specified in Sections 164.10 to 164.20, inclusive, and that are outside the boundaries of an urbanized area with a population of more than 50,000, and for intercity rail improvements.

(c) Not less than 15 percent of the amount of funds programmed under subdivision (b) shall be programmed for intercity rail improvement projects, including separation of grade projects.

(d) Funds made available under paragraph (1) of subdivision (a) shall be used for transportation improvement projects that are needed to facilitate interregional movement of people and goods. The projects may include state highway, intercity passenger rail, mass transit guideway, or grade separation projects.

(e) Funds made available under paragraph (2) of subdivision (a) shall be used for transportation improvement projects that are needed to improve transportation within the region. The projects may include, but shall not be limited to, improving state highways, local roads, public transit, intercity rail, pedestrian, and bicycle facilities, and grade separation, transportation system management, transportation demand management, soundwall projects, intermodal facilities, and safety.

SEC. 43. Section 164.2 of the Streets and Highways Code is repealed.

SEC. 44. Section 164.3 of the Streets and Highways Code is amended to read:

164.3. The interregional road system shall include, and shall be limited to, those routes that are specified in Sections 164.10 to 164.20, inclusive.

SEC. 45. Section 164.4 of the Streets and Highways Code is repealed.

SEC. 46. Section 164.6 is added to the Streets and Highways Code, to read:

164.6. (a) The department shall prepare a 10-year state rehabilitation plan for the rehabilitation and reconstruction, or the combination thereof, of all state highways and bridges owned by the state. The plan shall identify all rehabilitation needs for the 10-year period beginning on July 1, 1998, and ending on June 30, 2008, and shall include a schedule of improvements to complete all needed rehabilitation not later than June 30, 2008. The plan shall be updated every two years beginning in 2000. The plan shall include specific milestones and quantifiable accomplishments, such as miles of highways to be repaved and number of bridges to be retrofitted. The plan shall contain strategies to control cost and improve the efficiency of the program, and include a cost estimate for at least the first four years of the program.

(b) The plan shall be submitted to the commission for review and comments and shall be transmitted to the Governor and the Legislature not later than May 1, 1998.

(c) The plan shall be the basis for the department's budget request and for the adoption of fund estimates pursuant to Section 163.

SEC. 47. Section 164.35 of the Streets and Highways Code is repealed.

SEC. 48. Section 164.50 of the Streets and Highways Code is repealed.

SEC. 49. Section 164.51 of the Streets and Highways Code is repealed.

SEC. 50. Section 164.52 of the Streets and Highways Code is repealed.

SEC. 51. Section 164.55 of the Streets and Highways Code is repealed.

SEC. 52. Section 164.57 of the Streets and Highways Code is repealed.

SEC. 53. Section 167 of the Streets and Highways Code is amended to read:

167. (a) Funds in the State Highway Account in the State Transportation Fund shall be programmed, budgeted subject to Section 163, and expended to maximize the use of federal funds and shall be based on the following sequence of priorities:

(1) Operation, maintenance, and rehabilitation of the state highway system.

(2) Safety improvements where physical changes, other than adding additional lanes, would reduce fatalities and the number and severity of injuries.

(3) Transportation capital improvements that expand capacity or reduce congestion, or do both.

(4) Environmental enhancement and mitigation programs.

(b) With respect to the funds in the State Highway Account, in the Public Transportation Account, and in the Passenger Rail Bond Fund, the proposed budget shall be organized on a program basis. The proposed budget shall list the proposed expenditures for the transportation program under the following program elements:

(1) Administration.

(2) Program development.

(3) Maintenance.

(4) State highway operation and protection.

(5) Local assistance.

(6) Interregional improvements.

(7) Regional improvements.

(8) Environmental enhancement and mitigation programs.

(c) State operations expenditure amounts of the department for interregional and regional transportation improvement projects shall be listed as required by subdivision (b) of Section 14529 of the Government Code, but those amounts other than those for the acquisition of rights-of-way and construction shall not be subject to allocation by the commission.

(d) To align the annual budget with the adopted state transportation improvement program, the department may submit to the Department of Finance revised capital outlay support and capital outlay budget estimates as part of its May revision process.

(e) The budget shall not include specific appropriations for specific transportation improvement projects, and the Legislature shall not enact legislation containing specific individual transportation projects.

(f) The basis for defining major and minor capital outlay projects shall be established by the commission.

(g) The Legislative Analyst shall prepare an analysis of the proposed expenditures for each program element as a part of the budget analysis.

SEC. 54. Section 168 of the Streets and Highways Code is repealed.

SEC. 55. Section 182.4 of the Streets and Highways Code is repealed.

SEC. 56. Section 182.5 of the Streets and Highways Code is repealed.

SEC. 57. Section 182.5 is added to the Streets and Highways Code, to read:

182.5. (a) It is the intent of the Legislature that the transition to the new programs and procedures established in the bill enacting this section shall be fair and equitable and minimize disruptions in the delivery of projects. With specific reference to the transition from county minimums to county shares for regional improvement, no project should be counted twice, no project that would be counted under either the old or new procedures should escape being counted in the transition, shares should be sufficient to fund projects programmed in the 1996 State Transportation Improvement Program for the same period, no incentive or reward should be provided for delaying a project, and no incentive or reward should be provided for allocating funds to a project earlier than the year in which the funds are needed for the project.

(b) At the end of the fiscal year ending June 30, 1998, the county minimums and county minimum deficits shall be recalculated under the law as it existed prior to the enactment of the bill adding this section.

(c) Notwithstanding Section 164, there shall be set aside sufficient funding for every project that is included in the 1996 State Transportation Improvement Program. This funding shall be set aside in the fund estimate prior to and in addition to the distribution of funding between programs pursuant to Section 164.

(d) The amount of the cumulative county minimum deficit calculated for any county pursuant to subdivision (b) shall be carried forward as a county share for the 1998 State Transportation Improvement Program, prior to and in addition to the computation of county shares pursuant to subdivision (a) of Section 188.8.

(e) The commission shall not allocate funds for any project unless the commission has programmed the state transportation improvement program in a manner that complies with the requirements of Sections 188, 188.8, and 188.10.

(f) Notwithstanding subdivision (a), for a county within the region defined by Section 66502 of the Government Code where funds were traded in the 1996 State Transportation Improvement Program to another county in that region, the county share for that county for the 1998 State Transportation Improvement Program shall be increased by the amount of the trade in the 1996 State Transportation Improvement Program, as if the share were a county minimum deficit under subdivision (d).

(g) In adopting the 1998 State Transportation Improvement Program, the commission shall, at a minimum, fund all intercity rail projects that are included in the adopted 1996 State Transportation Improvement Program. The amount of funds programmed for each project shall not be less than the amount in the 1996 State Transportation Improvement Program.

(h) The commission, after consulting with the department and the regional planning agencies, shall adopt interim guidelines and procedures relative to fund estimates and project selection in a manner that the first state transportation improvement program, pursuant to the provisions of the act adding this section, is adopted not later than June 1, 1998.

SEC. 58. Section 182.8 of the Streets and Highways Code is repealed.

SEC. 59. Section 188 of the Streets and Highways Code is amended to read:

188. (a) All federal and state funds to be allocated by the commission, or expended by the department, for transportation improvements under Section 164, except for purposes of subdivisions (b) and (c) of that section, shall be programmed during the period commencing on July 1, 1997, and ending on June 30, 2004, and for each four-year period thereafter, 40 percent in County Group No. 1 and 60 percent in County Group No. 2.

(b) This section shall be known and may be cited as the Barnes-Mills-Walsh formula.

SEC. 60. Section 188.8 of the Streets and Highways Code is amended to read:

188.8. (a) From the funds programmed pursuant to Section 188 for regional improvement projects, the commission shall approve programs and program amendments, so that funding is distributed to each county of County Group No. 1 and in each county of County Group No. 2 during the county share periods commencing July 1, 1997, and ending June 30, 2004, and each period of four years thereafter. The amount shall be computed as follows:

(1) The commission shall compute, for the county share periods all of the money to be expended for regional improvement projects in County Groups Nos. 1 and 2, respectively, as provided in Section 188.

(2) From the amount computed for County Group No. 1 in paragraph (1) for the county share periods the commission shall determine the amount of programming for each county in the group based on a formula which is based 75 percent on the population of the county to the total population of County Group No. 1 and 25 percent on state highway miles in the county to the total state highway miles in

County Group No. 1.

(3) From the amount computed for County Group No. 2 in paragraph (1) for the county share periods the commission shall determine the amount of programming for each county in the group based on a formula which is based 75 percent on the population of the county to the total population of County Group No. 2 and 25 percent on state highway miles in the county to the total state highway miles in County Group No. 2.

(b) Notwithstanding subdivision (a), that portion of the county population and state highway mileage in El Dorado and Placer Counties that is included within the jurisdiction of the Tahoe Regional Planning Agency shall be counted separately toward the area under the jurisdiction of the Tahoe Regional Transportation Agency and shall not be included in El Dorado and Placer Counties. The commission shall approve programs, program amendments, and fund reservations for the area under the jurisdiction of the Tahoe Regional Transportation Agency which shall be calculated using the formula described in paragraph (2) of subdivision (a).

(c) A transportation planning agency designated pursuant to Section 29532 of the Government Code, or a county transportation commission created by Division 12 (commencing with Section 130000) of the Public Utilities Code, may adopt a resolution to pool its county share programming with any county or counties adopting similar resolutions to consolidate its county shares for two consecutive county share periods into a single share covering both periods. A multicounty transportation planning agency with a population of less than three million may also adopt a resolution to pool the share of any county or counties within its region. The resolution shall provide for pooling the county share programming in any of the pooling counties for the new single share period and shall be submitted to the commission not later than May 1 immediately preceding the commencement of the county share period.

(d) For the purposes of this section, funds programmed shall include the following costs pursuant to subdivision (b) of Section 14529 of the Government Code:

(1) The amounts programmed or budgeted for both components of project development in the original programmed year.

(2) The amount programmed for right-of-way in the year programmed in the most recent state transportation improvement program. If the final estimate is greater than 120 percent of the amount originally programmed, the amount shall be adjusted for final expenditure estimates at the time of right-of-way certification.

(3) The engineer's final estimate of project costs, including construction engineering, presented to the commission for approval pursuant to Section 14533 of the Government Code in the year programmed in the most recent state transportation improvement program.

(4) Project costs shown in the program, as amended, where project allocations have not yet been approved by the commission, escalated to the date of scheduled project delivery.

(e) Project costs shall not be changed to reflect any of the following:

(1) Differences that are within 20 percent of the amount programmed for actual project development cost.

(2) Actual right-of-way purchase costs.

(3) Construction contract award amounts.

(4) Changes in construction expenditures.

(f) For the purposes of this section, the population in each county is that determined by the last preceding federal census, or a subsequent census validated by the Population Research Unit of the Department of Finance, at the beginning of each county share period.

(g) For the purposes of this section, "state highway miles" means the miles of state highways open to vehicular traffic at the beginning of each county share period.

(h) It is the intent of the Legislature that there is to be flexibility in programming under this section and Section 188 so that, while ensuring that each county will receive an equitable share of state transportation improvement program funding, the types of projects selected and the programs from which they are funded may vary from county to county.

(i) Commencing with the four-year period commencing on July 1, 2004, individual county share shortfalls and surpluses at the end of each four-year period, if any, shall be carried forward and credited or debited to the following four years.

(j) The commission, with the consent of the department, may consider programming projects in the state transportation improvement program in a region with a population of not more than 1,000,000 at a level higher or lower than a county share, when the regional agency either asks to reserve part or all of its share until a future programming year, to build up a larger share for a higher cost project, or asks to advance an amount of the share, in an amount not to exceed 200 percent of its current share, for a larger project, to be deducted from shares for future programming years. After consulting with the department, the commission may adjust the level of programming in the regional program in the affected region against the level of interregional programming in the improvement program to accomplish the reservation or advancement, for the current state transportation improvement program. The commission shall keep track of any resulting shortfalls or surpluses in county shares.

(k) Notwithstanding subdivision (a), in a region defined by Section 66502 of the Government Code, the transportation planning agency may adopt a resolution to pool the county share of any county or counties within the region, provided that each county shall receive no less than 85 percent and not more than 115 percent of its county share for a single county share period and 100 percent of its county share over two consecutive county share periods. The resolution shall be submitted to the commission not later than May 1, immediately preceding the commencement of the county share period.

(l) Federal funds used for federal demonstration projects that use federal funds that would otherwise be available to the state shall be subtracted from the county share of the county where the project is located.

SEC. 61. Section 188.9 of the Streets and Highways Code is repealed.

SEC. 62. Section 188.10 is added to the Streets and Highways Code, to read:

188.10. (a) The commission, with assistance from the department and regional agencies, shall maintain a long-term balance of shares, shortfalls, and surpluses for regional improvement programs.

(b) The balance shall include all of the following:

(1) Shares from the fund estimate for each state transportation

improvement program pursuant to Section 14525 of the Government Code.

(2) Amounts programmed in each state transportation improvement program pursuant to Section 14529 of the Government Code.

(3) Surpluses or shortfalls due to reservations or advancements pursuant to subdivision (i) of Section 188.8.

(4) Amounts deducted or added because of changes in project development costs or a cost increase or savings in the final engineering estimate or the final right-of-way certification estimate at the time of allocation for construction, pursuant to subdivisions (d) and (e) of Section 188.8.

(5) Any supplemental project allocations during or following construction.

(6) Amounts deducted or added because of amendments to the state transportation improvement program that add, delete, or change the scope and cost of regional improvement projects, pursuant to Section 14531 of the Government Code.

(c) The balance through the preceding fiscal year shall be made available for review by all regional agencies at the time of each fund estimate, and by not later than August 15 of each year.

(d) The commission, through the fund estimate, shall restore for the next state transportation improvement program the interregional improvement program level specified in subdivision (a) of Section 164.

SEC. 63. Section 199 of the Streets and Highways Code is repealed.

SEC. 64. Section 199.1 of the Streets and Highways Code is repealed.

SEC. 65. Section 199.2 of the Streets and Highways Code is repealed.

SEC. 66. Section 199.3 of the Streets and Highways Code is repealed.

SEC. 67. Section 199.4 of the Streets and Highways Code is repealed.

SEC. 68. Section 199.6 of the Streets and Highways Code is repealed.

SEC. 69. Section 199.7 of the Streets and Highways Code is repealed.

SEC. 70. Section 199.8 of the Streets and Highways Code is repealed.

SEC. 71. Section 199.9 of the Streets and Highways Code is repealed.

SEC. 72. Section 199.10 of the Streets and Highways Code is repealed.

SEC. 73. Section 199.11 of the Streets and Highways Code is repealed.

SEC. 74. Section 2600 of the Streets and Highways Code is repealed.

SEC. 75. Section 2601 of the Streets and Highways Code is amended to read:

2601. (a) For purposes of this chapter:

(1) "Applicant" means a city, a county, or any local entity that is authorized to impose taxes or fees and that has responsibility for constructing highways or exclusive public mass transit guideways.

(2) "Eligible project" means a local road, a state highway, or an exclusive public mass transit guideway improvement project that meets

all of the following conditions:

(A) Upon completion of the project, it would constitute a usable segment that would increase the capacity of the highway or guideway or would extend service to new areas, or, in the case of a local road rehabilitation project, it would extend the useful life of the roadway by at least 10 years.

(B) The applicant has committed, or is capable of committing, to pay the local share from its local fund to complete the project.

(C) The project is not receiving any other state funds.

(D) The applicant has completed, or is capable of completing, all project development work so that the contracts for the project can be awarded within two years of the date that the project was submitted to the department pursuant to subdivision (a) of Section 2602.

(E) Improvements to state highways are consistent with state and federal standards, are designed to minimize long-term maintenance costs, and are approved by the department.

(3) "Local fund" means revenues from any locally imposed tax or fee.

(4) "Local share" means the total cost of completing the project, less any state matching funds applied for through this partnership program and any federal funds.

(5) "State share" means the amount of state funds applied for and in no case shall it exceed local share. The state share is not subject to the requirements of Sections 188 and 188.8.

(b) This section shall remain in effect only until July 1, 1999, and as of that date is repealed, unless a later enacted statute, which is enacted on or before July 1, 1999, deletes or extends that date.

SEC. 76. Section 2602 of the Streets and Highways Code is amended to read:

2602. (a) The state-local transportation partnership program shall be implemented by the department and the applicants under the following procedures:

(1) Applicants shall submit applications for eligible projects to the department not later than June 30.

(2) The department shall review the applications for consistency with the requirements of this chapter and shall compile a preliminary list of all eligible projects not later than September 30 of the year in which the application was submitted.

(3) (A) If the total state share for eligible projects exceeds the amount specified in the Governor's proposed budget, the department shall compute the preliminary pro rata share of state funds to be available so that each eligible project would receive the same ratio of state share to local share. Not later than April 1 of the following year, the department shall advise the applicants of the preliminary pro rata share of state funds to be available.

(B) Not later than June 15 of the following year, each applicant shall inform the department whether or not it can proceed with the project with the lower state share and meet the project development completion requirements specified in subparagraph (D) of paragraph (2) of subdivision (a) of Section 2601.

(C) Upon the enactment of the annual Budget Act, the department shall compile a new list of eligible projects consisting of those projects that were included in the original list that the applicant has indicated it can proceed with a lower state share and for which the applicant has indicated it can still meet the delivery

requirements pursuant to subparagraph (D) of paragraph (2) of subdivision (a) of Section 2601.

(D) Based on the amount of the appropriation contained in the annual Budget Act, the department shall compute the final pro rata state share so that each project on the new list would receive the same ratio of state share to local share.

(E) Within 30 days of the enactment of the annual Budget Act, the department shall report to the Legislature on the projects being funded through this program and the ratio of state share to local share.

(4) The Legislature intends to appropriate two hundred fifty million dollars (\$250,000,000) by June 30, 1990, two hundred fifty million dollars (\$250,000,000) by June 30, 1991, and two hundred million dollars (\$200,000,000) by June 30 of each year thereafter for this program.

(5) Construction contracts for projects on the eligibility list established pursuant to paragraph (2) or (3) shall be let not later than June 30 of the fiscal year for which funds are appropriated pursuant to paragraph (4).

(6) Beginning with projects funded through appropriations made by the Budget Act of 1992, applications shall not be accepted for any project within the boundaries of a project subject to, but for which contracts were not let in accordance with, paragraph (5), for a period of three fiscal years following the fiscal year in which the applicant's notification of intent to proceed under subparagraph (B) of paragraph (3) was submitted.

(7) The funds appropriated shall be expended not later than June 30 of the fourth year following the appropriation.

(8) Notwithstanding paragraphs (5) and (6), any project in Orange County for which a construction contract would otherwise have been required to be let by June 30, 1995, may be let until, but not later than, June 30, 1996.

(9) Notwithstanding paragraphs (5) and (6), any project in Santa Barbara County for which a construction contract would otherwise have been required to be let by June 30, 1995, may be let until, but not later than, December 31, 1996.

(10) The Lakeville Highway widening project (State Route 116 from Caulfield Lane to the Petaluma city limit), and the Mare Island Way/Wilson Avenue Cycle 6 improvement project in the City of Vallejo, for which a construction contract would otherwise have been required to be let by June 30, 1996, may be let until, but not later than, June 30, 1997.

(11) Notwithstanding paragraphs (5) and (6), any project in Siskiyou County for which a construction contract would otherwise have been required to be let by June 30, 1997, may be let until, but not later than, June 30, 1999.

(b) This section shall remain in effect only until July 1, 1999, and as of that date is repealed, unless a later enacted statute, which is enacted on or before July 1, 1999, deletes or extends that date.

SEC. 77. Section 2602.1 of the Streets and Highways Code is amended to read:

2602.1. (a) Notwithstanding Section 2602, for the 1990-91 fiscal year only, funding for the state-local transportation partnership program shall be implemented as follows:

(1) Any project which was included in the list of eligible

projects compiled by the department as of April 1, 1990, may be withdrawn by the applicant for funding during the 1990-91 fiscal year and resubmitted not later than July 31, 1990, for funding in the 1991-92 fiscal year.

(2) The department shall recompute the pro rata share of state funding for projects that remain on the list on August 1, 1990, based upon the amount appropriated for the program for the 1990-91 fiscal year, so that each eligible project will receive the same ratio of state share to local share.

(3) Not later than September 1, 1990, the department shall notify the Legislature of the ratio of state share to local share computed pursuant to paragraph (2).

(4) With respect to any project which was withdrawn and resubmitted by July 31, 1990, pursuant to paragraph (1), the department shall, as nearly as possible, administer and implement the program for the 1990-91 fiscal year in accordance with the procedure prescribed by this section, as if this section had been in effect on that date.

(b) This section shall remain in effect only until January 1, 1999, and as of that date is repealed, unless a later enacted statute, which is enacted on or before January 1, 1999, deletes or extends that date.

SEC. 78. Section 3.5 of this bill incorporates amendments to Section 14524 of the Government Code proposed by both this bill and AB 87. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1998, (2) each bill amends Section 14524 of the Government Code, and (3) this bill is enacted after AB 87, in which case Section 3 of this bill shall not become operative.

SEC. 79. Section 5.5 of this bill incorporates amendments to Section 14525 of the Government Code proposed by both this bill and AB 87. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1998, (2) each bill amends Section 14525 of the Government Code, and (3) this bill is enacted after AB 87, in which case Section 5 of this bill shall not become operative.